

# Understanding your health insurance options



 Washington State  
Office of the  
Insurance Commissioner

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## Understanding your health insurance options

What kind of health insurance you need depends on your circumstances and finances. This publication is designed to help you know what your coverage options are.

### Employment-related coverage

The most common way to get health insurance is through an employer. If you, your spouse, domestic partner or parent are currently employed, you might qualify for the following types of health insurance plans:

- **Group plans**

Your employer may offer health benefits for you, your spouse or domestic partner, and your dependents. **Group plans cannot reject you based on health problems.** For coverage or information, check with your employer's human resources department.

- **Self-employed**

If you're self-employed, including one-person businesses, you may qualify for a small group plan. You do not have to take a health questionnaire. However, you must submit certain documents, like tax information, to show you have a bona fide business. To find out which plans are available in your area, go to: [www.healthcare.gov](http://www.healthcare.gov), or contact an insurance agent, broker, or health insurer directly who sells in your area.

- **Professional organizations and association plans**

Some professional organizations, such as chambers of commerce, offer group health plans to members. You also may qualify for health insurance through a religious or fraternal organization.

Association plans are often available to people in a specific industry, professional group, or business association. Keep in mind that coverage may be limited. Review the plan carefully to make sure it meets your needs.

- **COBRA (Consolidated Omnibus Budget Reconciliation Act)**

This law requires employers with 20 or more employees to extend health plan benefits to their employees (including spouses and dependents) who lose coverage under certain circumstances. For example, if an employee quits or loses his or her job. To find out more, call the U.S. Department of Labor at 1-866-444-3272 or go to [www.dol.gov/dol/topic/health-plans/cobra.htm](http://www.dol.gov/dol/topic/health-plans/cobra.htm).

Smaller employers (20 or fewer employees), church-related organizations and federal government plans are not required to offer COBRA coverage, but they may offer continuation coverage. Check your health plan's benefit book to see if you have a continuation coverage benefit.

### The Affordable Care Act

Health care reform was signed into law on March 23, 2010. It's designed to ensure that virtually all U.S. citizens have access to affordable health insurance by 2014. To learn more, go to [www.insurance.wa.gov](http://www.insurance.wa.gov)

### Important tip: The "free look"

When you receive your new policy, read it carefully. Every individual health care insurance policy sold has a 10-day "free look" period. If you are not satisfied for any reason, you may return the policy within 10 days after you receive it to the company, agent or broker. They will cancel the policy and provide a full refund.

**Note:** To ensure continuous coverage, keep your previous coverage until you have reviewed your new policy.

## Buying a plan on your own

If you can't get health coverage through an employer, spouse, domestic partner or parent, and you don't qualify for Medicare or a low-cost health program, you might need to buy an individual plan directly from an insurance company.

### How to apply

We maintain a list of companies that offer individual health plans in Washington state at [www.insurance.wa.gov/consumers/health/rates.shtml](http://www.insurance.wa.gov/consumers/health/rates.shtml). This page includes a map that shows which plans are available in each county. For more help, call us at 1-800-562-6900.

**Washington state offers new health insurance program** - As a Washington state resident, you and your family may qualify for the Washington Health Program that's managed by the Washington State Health Care Authority. This program offers either \$75,000 or \$100,000 in health insurance coverage every year. Members maintain low deductibles and, at times, no-cost coverage for basic health services. Most people must pass the Standard Health Questionnaire to qualify, but there are some exceptions. To find out more, go to: [www.washingtonhealth.hca.wa.gov](http://www.washingtonhealth.hca.wa.gov) or call 1-800-660-9840.

### The health questionnaire

Most people who apply for individual coverage must pass a Standard Health Questionnaire. However, you may be able to buy individual insurance without taking the questionnaire if you apply within 90 days of the following events:

- Move outside your plan's service area within Washington state
- Your doctor moves from one plan's network to another plan's network
- Use up COBRA or lose it due to a former employer ending its plan while you are on COBRA
- You can also qualify without taking the questionnaire if you've had at least 24 months of continuous group coverage and you:
  - o Lose a COBRA-exempt group plan because you had a COBRA qualifying event
  - o Qualify for or drop COBRA
  - o Lose a group plan when your employer goes out of business
  - o Leave the Basic Health Plan

You may also be able to add a newborn or newly adopted child to the policy if you apply within 60 days of the birth or adoption.

For a complete list of Standard Health Questionnaire exceptions, go to [www.wship.org](http://www.wship.org) or call Washington State Health Insurance Pool at 1-800-877-5187.

### What if you don't pass the health questionnaire?

If you're turned down for coverage, you can buy a plan from the Washington State Health Insurance Pool (WSHIP). This high-risk pool provides comprehensive coverage, including a prescription drug benefit. Premiums are based on your age and type of plan you select. For more information, call WSHIP at 1-800-877-5187 or go to [www.wship.org](http://www.wship.org).

## Waiting periods for coverage of pre-existing health conditions

Individual health plans may require a nine-month waiting period for any medical condition you've had during the previous six months (whether or not you received medical advice or treatment).

### Take Note!

If you switch plans, you could receive credit toward the waiting period for a pre-existing condition, depending on the type of plan you had. To receive credit, make sure you submit your application for the new insurance **within 63 days** of ending your prior coverage.

## Do you have a pre-existing condition? You may be eligible for the state's new Pre-existing Condition Insurance Plan

The Pre-existing Condition Insurance Plan, created by the Affordable Care Act, is a temporary plan for people who've been uninsured for at least six months and who have a pre-existing condition. The plan ends in 2014 when more comprehensive reform takes effect. Unlike the state's high-risk pool, WSHIP, there's no waiting period for coverage of a pre-existing condition. To enroll, you must be a Washington state resident, a U.S. citizen or national, or legally live in the U.S. To learn more, go to [www.wship.org/PCIP-WA](http://www.wship.org/PCIP-WA) or call the plan toll-free at 1-877-505-0514.

## Enrolling a child under age 19 in an individual health plan

Health care reform prevents all health insurers from denying coverage to children due to a pre-existing condition. However, all health plans – including individual health plans – can create open enrollment periods.

Individual health insurance plans now have two open-enrollment periods each year for children under age 19. Parents who want to add their children to their individual health plans or buy an individual health plan for their child can do so:

- March 15 - April 30
- Sept. 15 - Oct. 31

There are exceptions that allow some children to enroll in an individual health plan anytime during year. Parents must apply for their child within 31 days of the following events if either they or their child:

- No longer qualify for a state program
- Lose coverage due to a divorce
- Lose employer-sponsored coverage (including COBRA)
- Move and their plan is not available where they live
- Also, parents or guardians can apply year-round for individual coverage **within 60 days** of birth, adoption, or placement of a child for adoption.

For more information, go to: <http://www.insurance.wa.gov/consumers/health> or call our Insurance Consumer Hotline at 1-800-562-6900.





Scan above with your phone's bar code scanner for more information on this topic.

## Need more help?

Visit our website at

**[www.insurance.wa.gov](http://www.insurance.wa.gov)**

or call our Insurance Consumer Hotline at

**1-800-562-6900**

Our professional consumer advocates enforce insurance law and can investigate complaints against insurance companies and agents on your behalf. We also offer individual counseling and group education on health care issues in your communities. Our highly trained Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers can help you understand your rights and options about health care coverage, prescription drugs, government programs, and more.



The Insurance Consumer Hotline and [www.insurance.wa.gov](http://www.insurance.wa.gov) are free services provided by the Washington State Office of the Insurance Commissioner.

